



Two Centerpointe Drive, Ste 570  
Lake Oswego OR 97034  
503.697.7294

December 14, 2010

## VIA ELECTRONIC FILING

Sharon Gillett, Chief  
Wireline Competition Bureau  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

**Re: WC Docket No. 02-60; Request to Extend Rural Health Care Pilot Program  
Deadline for Funding Commitments**

Dear Ms. Gillett:

On behalf of the Oregon Health Network (“OHN”), I write to request the Wireline Competition Bureau (“WCB”) grant a six-month extension of the Rural Health Care Pilot Program (“Pilot Program”) deadline to apply for funding commitments from the Universal Service Administrative Company (“USAC”).

OHN recognizes that WCB previously extended the deadline to apply for funding commitments by one-year, until June 2011.<sup>1</sup> Indeed, OHN has taken full advantage of this extension. Specifically, since June 2010 OHN has obtained funding commitment letters to connect an additional 60 eligible health care locations into our network (prior to June 30, OHN had 35 sites with funding commitment letters). OHN reasonably expects to obtain funding commitments between now and June 2011 to support and connect 64 additional eligible health care locations, for a total forecast of 159 locations. That represents a total of 124 eligible health care providers OHN will have added to its network as a result of WCB’s previous one-year extension.

Nevertheless, for reasons discussed below, there is good cause for WCB to grant a six-month further extension to OHN, until December 31, 2011.<sup>2</sup> Such an extension will enable OHN to

---

<sup>1</sup> *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, 25 FCC Rcd 1423 (Wireline Comp. Bur. 2010) (*2010 Pilot Program Extension Order*). The Commission delegated authority to WCB to waive relevant Commission rules “to the extent they prove unreasonable or inconsistent with the sound and efficient administration of the Pilot Program.” See *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, 22 FCC Rcd 20360, ¶ 124 (2007) (*2007 Pilot Program Selection Order*); see also *2010 Pilot Program Extension Order* at ¶ 6.

<sup>2</sup> While OHN is generally supportive of the Indiana Telehealth Network’s recent request for a one-year extension of the deadline to seek funding commitments, a six-month extension would likely be sufficient for OHN. See Letter from Don Kelso, Executive Director, Indiana Rural Health Association, to Sharon Gillett, Chief, Wireline Competition Bureau, Federal Communications Commission, WC Docket No. 02-60 (dated Nov. 17, 2010) (ITN Letter); see also *Comment on Indiana Telehealth Network Request for Extension of the June 30, 2011 Deadline for*



obtain funding commitments for up to an additional \$3.9 million (out of \$20.182 million) in awarded funding. With this additional time OHN estimates it could connect as many as 33 additional eligible health care locations for a total of 192 health care locations connected throughout the state of Oregon. This extension would also support OHN's efforts to partner with California Telehealth Network and thus be the first pilot programs to connect their Network Operations Centers to obtain a significantly interoperable system utilizing FCC support.

### Background

On May 21, 2009, OHN received its first funding commitment letters (FCL) from USAC totaling \$2 million. Since that time, OHN has received additional FCLs totaling \$11.6 million, each representing tremendous effort on the part of OHN staff to identify eligible participants, draft and post requests for proposals (RFPs), evaluate proposals and select vendors, negotiate contracts, and present FCL packages to USAC for review and final approval. OHN has invested thousands of staff hours ensuring each procurement and FCL application meets USAC's requirements and otherwise conforms to Commission rules. Indeed, OHN has become very experienced assessing the expected time and effort required for the FCL process. For example, OHN's first FCL took over nine months from drafting the RFP through submission of the FCL package to USAC. OHN has reduced that complete process to about four months.<sup>3</sup>

Unfortunately, while OHN continues to work diligently to obtain FCLs and thereby obligate all remaining funds by the current June 2011 deadline, OHN's experience suggests there will be insufficient time to receive commitments for up to \$3.9 million of OHN's \$20.1 million award.

### Request to Extend Deadline to Apply for Funding Commitments

On February 18, 2010, in response to extension requests from 17 of the 62 Pilot Projects (including OHN), WCB granted a one-year extension to the deadline for Pilot Projects to request FCLs from USAC. WCB acknowledged that Pilot Program projects faced a variety of obstacles in meeting the original June 2010 deadline including complex program requirements and processes and associated paperwork preparation time, the economic downturn, and the complexity of preparing and posting RFPs and "negotiating with vendors for complex networks."<sup>4</sup> WCB specifically noted the challenges faced by projects "with many participating sites in their networks [experiencing] delay due to the extensive coordination necessary to deploy their networks to these facilities."<sup>5</sup> WCB concluded that a waiver of the deadline for all participants was necessary to avoid "substantial hardship" to projects thereby "endangering

---

*Funding Commitment Requests under the Rural Health Care Pilot Program*, WC Docket No. 02-60, Public Notice (Wireline Comp. Bur., rel. Dec. 6, 2010).

<sup>3</sup> This streamlining has occurred due to the implementation of a solid communications, marketing, operational, and technical system to provide each individual site the attention and hand-holding required for this very new, complex and administratively burdensome process.

<sup>4</sup> See *id.* at ¶ 5.

<sup>5</sup> *Id.*





[their] success,” and ultimately found that “waiver of the [funding year] deadline serves the public interest and is consistent with the sound and efficient administration of the Pilot Program.”<sup>6</sup>

In addition to the obstacles identified by WCB in the first extension grant, Oregon faces the challenge of geography and weather which shortens the time of year when installations can occur – having a six month extension for vendors to be able to perform installations in the summer and early fall of 2011 would significantly benefit our rural sites. OHN has demonstrated its willingness to wrestle with and overcome obstacles. This is evidenced by OHN’s 159 active, eligible network participants. Yet, despite this success, up to \$3.9 million of OHN’s original 20.1 million Pilot Program award will likely be unused without an additional six month extension of the FCL application deadline. Thus, without such an extension, OHN would not accomplish our shared goal of bringing increased connectivity to as many health care facilities as possible throughout Oregon. Such a result would be an unfortunate outcome for rural residents and communities in areas that could otherwise be served.

OHN is extremely grateful for the Pilot Program and remains very excited about the success of the program in Oregon thus far. OHN has demonstrated it can and will take advantage of any additional time to fully utilize the intended benefits of the Pilot Program in Oregon. For all of the above reasons, OHN respectfully requests a six-month further extension of the Pilot Program funding commitment deadline, to December 31, 2011.

Should you have any questions or require any additional information, please contact me at (503) 344-3742.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Kim Lamb', with a long, sweeping horizontal line extending to the right.

Kim Lamb, Executive Director  
Oregon Health Network

cc: Trent Harkrader, Chief, Telecommunications Access Policy Division  
Jamie Susskind, Attorney Advisor

---

<sup>6</sup> *Id.* at ¶¶ 6-7.